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**ANNUAL
REPORT
1966**



THE L. M^cBRINE CO. LIMITED



THE L. McBRINE CO. LIMITED

OFFICERS

E. J. SHOEMAKER, President

N. T. BERRY, Q.C., Vice-President

W. E. BISH, Secretary and Treasurer

DIRECTORS

F. G. BERLET / N. T. BERRY, Q.C. / W. E. BISH

A. GINGRICH / E. J. SHOEMAKER



To the Shareholders of
THE L. McBRINE CO. LIMITED:

Your Board of Directors submits the Annual Report of the operations of this Company for the year ending December 31, 1966, as represented by the Balance Sheet, Statement of Income and Retained Earnings, and the report of the Company's Auditors, Messrs. Thorne, Mulholland, Howson and McPherson.

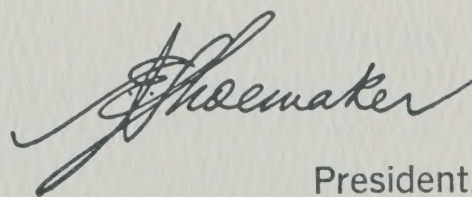
The net income for the year, after depreciation and provision for taxes on income, amounts to \$23,186 compared with \$45,243 for the year 1965. The adjustment of prior years' income taxes amounting to \$24,466 largely represents income tax refunds received in 1966 in respect of our claims for scientific research and development carried out in recent years.

Your Company is about ready to place on the market the results of an extensive and costly step forward in the manufacture of our new and original concept of luggage, to meet the needs of the future. It is, of course, anticipated that an accelerated travel tempo during Canada's Centennial Year will form the base of a substantial demand for all of the Company's wide range of popular products.

Your Directors again pay tribute to the interest and service of all McBrine employees, and thank them for their contribution to the progress of the Company.

On behalf of the Board,

Kitchener, Ontario
April 10, 1967



President.



THE L. McBRINE CO. LIMITED
INCORPORATED UNDER THE LAWS OF ONTARIO

BALANCE SHEET /
(With comparative figures)

ASSETS

Current Assets

	1966	1965
Accounts receivable, less allowance of \$31,500 for doubtful accounts	\$ 433,137	\$ 481,545
Income taxes recoverable	8,295	
Inventory of finished goods and work in process at estimated prime cost, which is not in excess of net realizable value, and raw materials at the lower of cost and replacement cost	643,557	554,426
Prepaid expenses	11,907	19,937
	<u>1,096,896</u>	<u>1,055,908</u>

Other Assets

Special refundable tax	920	
Life insurance, cash surrender value	88,303	82,443
	<u>89,223</u>	<u>82,443</u>

Fixed assets, at cost

Land	13,500	13,500
Buildings	216,866	213,879
Machinery and equipment	337,298	271,814
Office furniture and fixtures	59,813	55,571
Motor vehicles	20,817	17,269
Leasehold improvements	5,666	5,666
	<u>653,960</u>	<u>577,699</u>
Less Accumulated depreciation and amortization	463,105	438,631
	<u>190,855</u>	<u>139,068</u>
	<u>\$ 1,376,974</u>	<u>\$ 1,277,419</u>

Approved on behalf of the Board / E

AUDITORS' REPORT

To the Shareholders of The L. McBrine Company, Limited:

We have examined the balance sheet of The L. McBrine Company, Limited as at December 31, 1967, and included a general review of the accounting procedures and such tests of accounting records and documents as we considered necessary.

In our opinion the accompanying balance sheet and statement of income and retained earnings presented for the year ended on that date, in accordance with generally accepted accounting principles applied consistently throughout the period.

Kitchener, Ontario, February 10, 1968

THE L. McBRINE CO. LIMITED
INCORPORATED UNDER THE LAWS OF ONTARIO



DECEMBER 31, 1966

(figures for 1965)

LIABILITIES

Current Liabilities

	1966	1965
Bank advances	\$ 473,768	\$ 396,232
Accounts payable and accrued liabilities	123,307	95,304
Dividend payable	10,000	10,000
Income taxes payable		23,636
	<u>607,075</u>	<u>525,172</u>

SHAREHOLDERS' EQUITY

Capital stock

Authorized and issued:

20,000 cumulative, participating preference shares of no par value, dividend \$1.00 per annum	}	240,000	240,000
10,000 common shares of no par value			

Retained earnings	529,899	512,247
	<u>769,899</u>	<u>752,247</u>

Note:

Holders of preference and common shares are entitled to participate equally, share for share, in any distribution of assets to shareholders, save only that the holders of preference shares are entitled to receive a priority in respect of all preferential dividends accrued or accruing, due and unpaid, whether declared or not.

<u>\$ 1,376,974</u>	<u>\$ 1,277,419</u>
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Boemmaker, Director / W. E. Bish, Director

and the statement of income and retained earnings for the year ended on that date. Our examination supporting evidence as we considered necessary in the circumstances.

fairly the financial position of the company as at December 31, 1966 and the results of its operations basis consistent with that of the preceding year.

THORNE, MULHOLLAND, HOWSON & McPHERSON, Chartered Accountants.

STATEMENT OF INCOME AND RETAINED EARNINGS

Year ended December 31, 1966
(With comparative figures for 1965)

	1966	1965
Income for year before undernoted items	\$ 56,510	\$ 85,776
Profit on disposal of fixed assets	1,950	2,527
	58,460	88,303
Deduct:		
Depreciation and amortization	27,424	17,047
Directors' fees	650	650
	28,074	17,697
Income before undernoted taxes	30,386	70,606
Taxes on income	7,200	25,363
Net income for year	23,186	45,243
Adjustment of prior years' income taxes	24,466	
Retained earnings at beginning of year	512,247	497,004
	559,899	542,247
Deduct Dividends:		
On preference shares	20,000	20,000
On common shares	10,000	10,000
	30,000	30,000
Retained earnings at end of year	\$ 529,899	\$ 512,247





THE L. M^CBRINE CO. LIMITED

HEAD OFFICE AND FACTORY

35-59 Water Street South, Kitchener, Ontario

BRANCHES

VANCOUVER, British Columbia

EDMONTON, Alberta

WINNIPEG, Manitoba

TORONTO, Ontario

MONTREAL, Quebec

Registrar and Transfer Agent
Eastern and Chartered Trust Company
1901 Yonge Street
Toronto 7, Ontario



McBRINE

Built with skill, understanding and a touch of magic, by Canadian masters